

107TH CONGRESS
1ST SESSION

S. 1641

To impose additional requirements to ensure greater use of the advance payment of the earned income credit and to extend such advance payment to all taxpayers eligible for the credit.

IN THE SENATE OF THE UNITED STATES

NOVEMBER 6, 2001

Mr. SESSIONS (for himself and Mr. NICKLES) introduced the following bill;
which was read twice and referred to the Committee on Finance

A BILL

To impose additional requirements to ensure greater use of the advance payment of the earned income credit and to extend such advance payment to all taxpayers eligible for the credit.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. ADDITIONAL REQUIREMENTS TO ENSURE**
4 **GREATER USE OF ADVANCE PAYMENT OF**
5 **EARNED INCOME CREDIT.**

6 Not later than January 1, 2002, the Secretary of the
7 Treasury by regulation shall require—

1 (1) each employer of an employee who the em-
 2 ployer determines receives wages in an amount
 3 which indicates that such employee would be eligible
 4 for the earned income credit under section 32 of the
 5 Internal Revenue Code of 1986 to provide such em-
 6 ployee with a simplified application for an earned in-
 7 come eligibility certificate, and

8 (2) require each employee wishing to receive the
 9 earned income tax credit to complete and return the
 10 application to the employer within 30 days of re-
 11 ceipt.

12 Such regulations shall require an employer to provide such
 13 an application within 30 days of the hiring date of an em-
 14 ployee and at least annually thereafter. Such regulations
 15 shall further provide that, upon receipt of a completed
 16 form, an employer shall provide for the advance payment
 17 of the earned income credit as provided under section
 18 3507 of the Internal Revenue Code of 1986.

19 **SEC. 2. EXTENSION OF ADVANCE PAYMENT OF EARNED IN-**
 20 **COME CREDIT TO ALL ELIGIBLE TAXPAYERS.**

21 (a) IN GENERAL.—Section 3507(b) of the Internal
 22 Revenue Code of 1986 (relating to earned income eligi-
 23 bility certificate) is amended by striking paragraph (2)
 24 and by redesignating paragraphs (3) and (4) as para-
 25 graphs (2) and (3), respectively.

1 (b) CONFORMING AMENDMENTS.—

2 (1) Section 3507(c)(2)(B) of the Internal Rev-
3 enue Code of 1986 is amended by inserting “has 1
4 or more qualifying children and” before “is not mar-
5 ried,”.

6 (2) Section 3507(c)(2)(C) of such Code is
7 amended by striking “the employee” and inserting
8 “an employee with 1 or more qualifying children”.

9 (3) Section 3507(f) of such Code is amended by
10 striking “who have 1 or more qualifying children
11 and”.

12 (c) EFFECTIVE DATE.—The amendments made by
13 this section shall apply to taxable years beginning after
14 December 31, 2001.

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